

▯ *...Shrinking The So-Called 'Donut Hole'*

Senator Patrick Leahy (D), Senator Bernie Sanders (I) and Congressman Peter Welch (D) Thursday hailed new tallies showing that Vermonters with Medicare saved \$4,849,624 on their prescription drugs in 2011 under health care reforms enacted through the Affordable Care Act (ACA).

New totals released by the U.S. Department of Health and Human Services focus on Medicare enrollees hit by the earlier prescription drug coverage gap – the so-called "donut hole" -- that was created when the prescription drug benefit was added to Medicare. On average, the 6,795 Vermonters affected by the coverage gap saved an average of \$714 on the cost of their prescription drugs.

The health care reforms mean a 50 percent discount on brand-name prescription drugs and last year generated a 7 percent discount on covered generic medications for people who reached the coverage limit. This discount will rise to 14 percent in 2012. Nationwide 3.6 million Americans covered by Medicare saved \$2.1 billion on their prescription drugs in 2011 under the ACA reforms, which are on the way to completely closing the coverage gap by 2020. By 2021, Medicare beneficiaries will have saved an average of nearly \$4,200 between 2011 and 2021, and those with high prescription costs could save as much as \$16,000 in that same period.

Leahy said, "These pocketbook benefits to Vermonters under the health care reforms are all the more important in today's difficult economy. These savings are lightening Vermonters' financial burdens in ways that make a real difference."

Sanders said, "I am very pleased Vermont seniors were able to save almost \$5 million last year on prescription drugs. While we still have a long way to go to ensure that all Vermonters and Americans get the affordable, high-quality health care and prescription drugs they need regardless of income, this is clearly a step in the right direction," said Sanders, a member of the Senate health committee.

Welch said, "This is good news for Vermont seniors who too often have to make tough

decisions when it comes to heating their homes, paying their rent or taking their medications, especially in a weak economy. There is much more to be done but this is a positive step in the right direction."

According to HHS, in 2011 seniors and people with disabilities saved money on a wide variety of drugs, including:

- \* Blood sugar lowering drugs -- \$300.3 million

- \* Cholesterol lowering drugs -- \$263.2 million

- \* Asthma drugs -- \$228.5 million

- \* Blood pressure drugs -- \$120.2 million

- \* Psychiatric drugs -- \$101.5 million

Seniors also are saving on their supplemental Medicare coverage. The agency reports that since ACA was enacted in 2010, Medicare Advantage premiums have fallen by 16 percent and enrollment has climbed by 17 percent.